Message Text

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FROM ODC

DEFENSE FOR DSAA/TS, OGC, USDR&E/CPA

E.O. 11652: GDS TAGS: MASS NL

SUBJ: NEGOTIATIONS OF US NETHERLANDS MOU ON COOPERATION IN

DEFENSE R&D AND PROCUREMENT.

SUMMARY: US DELEGATION DESCRIBED BASIS FOR MOU'S IN TERMS OF GREATER ALLIANCE RATIONALIZATION AND STANDARDIZATION; RELATED MOU'S TO OTHER ALLIANCE COOPERATION EFFORTS SUCH AS THE LONG TERM DEFENSE PROGRAM WITH EMPHASIS ON READINESS AND REINFORCEMENT, FAMILIES OF WEAPON SYSTEMS, AND THE ALLIANCE PERIODIC ARMAMENT PLANNING SYSTEM: DISCUSSED TWO-WAY STREET PROBLEM INCLUDING US NATIONAL RESTRICTIONS VS HEAVY EUROPEAN PURCHASES IN THE US; DESCRIBED PROGRESS UNDER THE UK MOU; AND OUTLINED DUTCH OPPORTUNITIES AND METHODS OF PROCEDING IN EVENT MOU IS SIGNED. FOLLOWING GENERAL EXAMINATION OF BACKGROUND OF MOU, DISCUSSION PROCEEDED TO DETAILED TEXT, AND DUTCH HAVE PROPOSED ONE MAJOR CHANGE SO FAR. DISCUSSIONS RESUME 1930 HOURS, LOCAL TIME THIS EVENING. END CONFIDENTIAL

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SUMMARY

1. ON TUESDAY 6 JUNE, US REPS INCLUDING MGEN BOWMAN (DIRECTOR, EUROPEAN AND NATO AFFAIRS, ISA), DR. CROSSMAN (DEFENSE SECURITY ASSISTANCE AGENCY), MR. HERO (OFFICE OF ASSISTANT GENERAL, DOD) AND STEARN (OFFICE OF UNDER SECRETARY DEF RESEARCH AND ENGINEERING) AND COLONEL CARWILE, CHIEF, ODC MET WITH DUTCH REPS

INCLUDING:

LTGEN J. HENSEN, DIRECTOR-GENERAL FOR MATERIEL, COMMODORE F.A. J.C. VAN DUIJNEN, OFFICE OF THE DIRECTOR-GENERAL MATERIEL (DGM), CAPTAIN H.J. BETMAN, HEAD OF OFFICE FOR INTERNATIONAL MATERIEL COOPERATION FOR THE DGM, MR. W.A.M. MELIS, COMMISSIONER FOR MILITARY PRODUCTION, MIN OF ECON AFFAIRS, AND MR. L.W. VEENENDAAL HEAD, BUREAU OF PRODUCTION AND CIVIL DEFENSE, MINISTRY OF FOREIGN AFFAIRS.

- 2. GENERAL BOWMAN LEAD OFF BY DESCRIBING HISTORY OF RATIONAL-IZATION/STANDARDIZATION PROBLEM IN LIGHT OF ALLIANCE STRATEGY. HE THEN POINTED OUT VALUE OF MOU IN IMPLEMENTATION OF LTDP IN-CLUDING ADVANTAGES IN AREAS OF READINESS AND REINFORMCEMENT AS WELL AS TECHNICAL PROGRAMS SUCH AS ELECTRONIC WARFARE, COMMUNICATIONS, AIR DEFENSE, MARITIME CAPABILITIES, AND LOGISTICS, AND RELATIONSHIP TO THE FAMILIES OF WEAPONS CONCEPT AND THE ALLIANCE PERIODIC ARMAMENT PLANNING SYSTEM. HE DESCRIBED DIFFICULTIES AND ACCOMPLISHMENTS INVOLVED IN IMPLEMENTING UK MOU AND OUTLINED IN GENERAL THE EFFECT OF AN MOU ON DUTCH OPPORTUNITIES AND PROCEDURES.
- 3. THIS WAS FOLLOWED BY BRIEFINGS FROM BOTH SIDES ON POLICIES, PROCEDURES AND ORGANIZATIONS GOVERNING DEFENSE PROCUREMENT. BRIEFINGS AND SUBSEQUENT QUESTIONING CONSUMED BALANCE OF MORNING SESSION
- 4. MEETING RESUMED AT 1430 WITH GENERAL QUESTIONS CONCERNING MOU CONFIDENTIAL

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TERMS AND DEFINITIONS AND PROCEDED RAPIDLY TO DISCUSSION OF DETAILED TEXT OF PREAMBLE AND ARTICLE 1, PARA 1. PREAMBLE WAS ACCEPTED WITHOUT CHANGE. HOWEVER, DUTCH SIDE HAD CONSIDERABLE DIFFICULTY WITH TERM "EQUITABLE BALANCE", AND MOST OF AFTERNOON SESSION WAS TAKEN UP WITH ATTEMPTS TO EXPLAIN AND DEFINE THIS TERM. DUTCH UNDERSTOOD CLEARLY THAT US DEFINITION COULD NOT ENCOMPASS ANY GUARANTEE OR COMMITMENT TO ACHIEVE ANY PARTICULAR LEVEL OF PROCUREMENT AT ANY GIVEN TIME, AND FINALLY SUGGESTED ELIMINATION OF TERM ENTIRELY. DUTCH FELT STRONGLY THAT SOME STATEMENT OF OUR BASIC INTENTION IN THIS AGREEMENT WAS NECESSARY, AND COULD NOT AGREE TO ELIMINATE PARA 1 ENTIRELY. FINAL OUTCOME WAS PROPOSAL TO REVISE ART 1, PARA 1 TO READ AS FOLLOWS QUOTE

BOTH GOVERNMENTS INTEND TO IMPROVE THE BALANCE IN MUTUAL DEFENSE PROCUREMENT, TAKING INTO CONSIDERATION TECHNOLOGICAL LEVELS, AND CONSISTENT WITH THEIR NATIONAL POLICIES. THIS IMPROVEMENT SHALL BE SOUGHT THROUGH THE PROVISION OF OPPORTUNITIES TO COMPETE FOR PROCUREMENTS OF DEFENSE EQUIPMENT AND SERVICES AS WELL AS THROUGH THE COPRODUCTION OF DEFENSE EQUIPMENT AND DEFENSE R&D COOPERATION. END QUOTE

5. DUTCH FELT STRONGLY THAT PHRASE "INTEND TO IMPROVE" IN

FIRST SENTENCE WAS VERY IMPORTANT. WEAKER TERMS SUCH AS "SEEK TO IMPROVE" WOULD GIVE THEM SERIOUS PROBLEMS. US SIDE WAS EQUALLY ADAMANT IN INSISTING THAT WE AVOID WORDS SUCH AS "SHALL BE ACHIEVED" IN SECOND SENTENCE, AND DUTCH WERE WILLING TO RECOMMEND TO THEIR MINISTERS ALTERNATIVE PHRASE "SHALL BE SOUGHT".

6. DUTCH REQUESTED FURTHER MEETING AT 1930 THIS EVENING TO CONTINUE DISCUSSIONS. THEY ARE EXPECTED TO TABLE FURTHER CHANGES BUT WE ARE HOPEFUL THAT THEY WILL BE MINOR IN NATURE. US TEAM WILL EMPHASIZE NEED TO MINIMIZE CHANGES TO EXTENT POSSIBLE.

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